

Agreed-Upon Procedures Engagement

*The Lighthouse For The Blind
in New Orleans, Inc.*

November 16, 2011 through December 31, 2012



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and where appropriate at the office of the parish clerk of court.

Release Date MAR 13 2013

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

To the Board of Directors,
Lighthouse Louisiana
New Orleans, Louisiana.

We have performed the procedures enumerated below, which were requested by the Louisiana Department of Economic Development and which were agreed to by the management of The Lighthouse For The Blind in New Orleans, Inc ("Lighthouse") solely to assist in evaluating The Lighthouse For The Blind in New Orleans, Inc.'s compliance with the Cooperative Endeavor Agreement by and between the State of Louisiana and Louisiana Department of Economic Development and The Lighthouse for the Blind in New Orleans, Inc. during the period November 16, 2011 through December 31, 2012. Lighthouse's management is responsible for The Lighthouse For The Blind in New Orleans, Inc.'s compliance with those requirements. The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those specified parties of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that were performed and our findings are as follows:

(I) Facility Compliance Provisions Relating to Company Obligations Under Section 4.02 (A) of the CEA

- 1) We will determine if Lighthouse made \$1.8 million or more in capital expenditures relating to the newly acquired facility between November 16, 2011 and November 15, 2012.

Findings - No exceptions were noted. We examined and tested Schedule 1 to determine that Lighthouse made \$1.8 million or more in capital expenditures relating to the newly acquired facility between November 16, 2011 and November 15, 2012.

- 2) a. We examined accounting records and supporting documentation and prepared a schedule to show how much was spent on capital expenditures between November 16, 2011 and November 15, 2012 (accrual basis). Refer to Schedule 1.

(I) Facility Compliance Provisions Relating to Company Obligations Under Section 4.02 (A) of the CEA (Continued)

Findings - None.

- b. We examined the supporting documentation and relating accounting entries of 25 expenditures to show whether the expense incurred was properly coded as a capital expenditure relating to the newly acquired Facility as noted in the Cooperative Endeavor Agreement (the "CEA")

Findings - No exceptions were noted. For 25 sampled charges selected, we examined vendor invoices, copies of checks, bank statements for check clearance, the general ledger and other supporting documentation and verified that the expenses were properly coded as capital expenditures relating to the newly acquired Facility as noted in the CEA

- c. As shown in Schedule 1, capital expenditures were in excess of \$1.8 million for the period November 16, 2011 through November 15, 2012, therefore, a nonperformance reimbursement calculation is not applicable

(II) Jobs and Payroll Compliance Provisions Relating to Company Obligations Under Section 4.02 (B) of the CEA

- 1) We prepared a schedule showing the number of new full time jobs (minimum 30 hrs/wk) created in 2012 and payroll associated with these new jobs for all of 2012. Refer to Schedule 2.

Findings - None

- 2) We selected 12 new hires and verified full time employment (minimum of 30 hrs/wk) of the new hires through examination of human resource records, ES-4 reports, payroll registers, and other related payroll documentation.

Findings - No exceptions were noted. We verified full-time employment of 12 sampled employees through review of the personnel files and human resource records, the ES-4 forms within the quarterly Louisiana Economic Development (the "LED") reports, payroll registers and other payroll documentation

- 3) As shown on Schedule 2, payroll did have a Required New Payroll Shortfall of the required \$1,100,000 payroll and 48 new employees for 2012; therefore, a nonperformance reimbursement calculation is applicable. Refer to Schedule 3

Findings - We calculated a non-performance reimbursement of \$35,970.

(III) Reports/Document Compliance Provisions Relating to Section 8.02 of the CEA

- 1) We determined whether a revised project budget, as required under Section 8.02(A) of the CEA, was required to be submitted by the Organization to the LED Contract Monitor showing budget changes applied in 2012.

Findings - From discussions with the Vice President of Finance of Lighthouse for the Blind in New Orleans, Inc , and our examination of facility compliance and payroll compliance records, there have been no revisions to the original budget submitted to the LED Contract Monitor; therefore, the provision to submit a revised budget did not apply for 2012

- 2) We examined Lighthouse's Reports/Document Compliance Records and prepared a schedule showing when Quarterly Progress Reports (Exhibit C per the CEA) were prepared and submitted to the LED Contract Monitor for the five quarters beginning with the quarter ended December 31, 2011 and through the quarter ended December 31, 2012. Refer to Schedule 4.

Findings - None. Refer to Schedule 4.

- 3) We verified through inquiry and examination of Lighthouse documentation whether Lighthouse met the Payroll Document Requirements noted in Section 8 02 (C) of the CEA for the five quarters beginning with the quarter ended December 31, 2011 and through the quarter ended December 31, 2012.

Findings - No exceptions noted. We verified that the Quarterly Report of Wages Paid (Louisiana Workforce Commission ES-4 Forms) accompanied the LED Quarterly Reports filed for the last quarter 2011 and the first three quarters of 2012 as required by the Payroll Document Requirements noted in Section 8 02 (C) of the CEA. As per Schedule 4, the fourth quarter 2012 Quarterly Progress Report was not filed as of the report date.

- 4) We documented for the applicable year ends for Lighthouse from November 15, 2011 through December 31, 2012 period and verified whether or not required Section 8 03 (B) financial reports due on or before the following April 30th for each year were sent to the LED Contract Monitor.

Findings - The December 31, 2011 audited financial statements of Lighthouse were submitted to the LED Contract Monitor on April 11, 2012 which was before the required submission date. The December 31, 2012 financial statement audit is not completed as of the report date; therefore this requirement is not applicable to the current procedures

We are not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on management's compliance with the Cooperative Endeavor Agreement. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of Lighthouse, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
February 13, 2013

CAPITAL EXPENDITURES
THROUGH NOVEMBER 15, 2012 (ACCRUAL BASIS)

The Lighthouse For The Blind in New Orleans, Inc.

For the period from November 16, 2011 through November 15, 2012
(Unaudited)

<u>Invoice Date</u>	<u>Vendor/Payee</u>	<u>Amount</u>
November 18, 2011	Paper Machinery Corporation	\$ 883,167
November 18, 2011	Paper Machinery Corporation	924,478
November 18, 2011	Machinery Movers	6,460
November 25, 2011	Capitol City Press	912
November 28, 2011	Arbor Tech Tree Services LLC	2,400
November 28, 2011	Paper Machinery Corporation	4,173
December 13, 2011	Phillips Electric Company	62,207
December 13, 2011	Phillips Electric Company	1,500
December 13, 2011	Phillips Electric Company	3,975
December 16, 2011	Industrial Packaging Supplies	4,412
December 16, 2011	Industrial Packaging Supplies	4,412
December 16, 2011	Industrial Packaging Supplies	4,412
December 16, 2011	Industrial Packaging Supplies	4,412
December 21, 2011	Quality Compressed Air Services, Inc	3,437
December 21, 2011	Quality Compressed Air Services, Inc	3,437
December 28, 2011	Deep South Equipment Company	24,563
January 12, 2012	Industrial Packaging Supplies	5,995
January 28, 2012	Industrial Packaging Supplies	41
January 31, 2012	Deep South Equipment Company	53,354
February 13, 2012	Air Compressor Energy Systems	19,495
February 15, 2012	Southern Automation	11,673
March 9, 2012	Charles Carter Construction Company, Inc	18,905
March 13, 2012	Phillips Electric Company	1,593
March 13, 2012	Southern Automation	3,697
March 23, 2012	Southern Automation	11,673
March 31, 2012	Busada Manufacturing Corporation	1,034
March 31, 2012	Busada Manufacturing Corporation	3,904
March 31, 2012	Busada Manufacturing Corporation	9,018
April 3, 2012	Dell Marketing, L P.	2,140
April 11, 2012	Dell Marketing, L P	193
April 19, 2012	Charles Carter Construction Company, Inc	219,502
April 20, 2012	Paper Machinery Corporation	127,515
April 20, 2012	Paper Machinery Corporation	4,870
May 10, 2012	Charles Carter Construction Company, Inc.	195,997
May 14, 2012	Coleman Partners	12,490
May 21, 2012	IMC, Inc	1,180

**Schedule 1
(Continued)**

Invoice Date	Vendor/Payee	Amount
May 31, 2012	Iconvegence, Inc	19,979
June 7, 2012	Charles Carter Construction Company, Inc	153,311
June 11, 2012	Air Compressor Energy Systems	880
June 11, 2012	Air Compressor Energy Systems	150
June 24, 2012	Air Compressor Energy Systems	1,379
June 24, 2012	Air Compressor Energy Systems	172
July 3, 2012	The Hon Company	4,618
July 3, 2012	The Hon Company	1,935
July 3, 2012	The Hon Company	765
July 17, 2012	Quality Compressed Air Services, Inc	3,111
July 18, 2012	Quality Compressed Air Services, Inc	473
July 23, 2012	Apple Steel Rule Die Co	1,368
July 27, 2012	Charles Carter Construction Company, Inc.	33,950
July 30, 2012	Paul Sita Company	1,982
July 31, 2012	Sarni Flexographic	5,046
August 6, 2012	IMC, Inc	5,820
August 10, 2012	Coleman Partners	33,797
August 13, 2012	Dell Marketing, L P	7,571
August 15, 2012	Charles Carter Construction Company, Inc	236,017
August 20, 2012	Charles Carter Construction Company, Inc	56,587
August 20, 2012	Flexoexport LTD	142,350
August 27, 2012	Charles Carter Construction Company, Inc.	44,456
September 11, 2012	Rotometrics	3,210
September 25, 2012	Charles Carter Construction Company, Inc	9,274
September 26, 2012	Coleman Partners	23,055
September 30, 2012	Jerimee Naquin	5,000
September 30, 2012	Phillips Electric Company	20,584
October 10, 2012	Deep South Equipment Company	11,300
October 23, 2012	Jerimee Naquin	11,200
October 31, 2012	Built Rite Construction Inc.	1,288
October 31, 2012	Magnifiers & More	4,200
October 31, 2012	Hollywood Door Company	3,345
October 31, 2012	Jerimee Naquin	5,000
October 31, 2012	Paper Machinery Corporation	127,515
November 1, 2012	Sarni Flexographic	11,494
November 2, 2012	Phillips Electric Company	5,725
November 2, 2012	Phillips Electric Company	18,135
November 2, 2012	Phillips Electric Company	1,940
November 5, 2012	Fletcher's Finishes LLC	12,752
November 6, 2012	Sarni Flexographic	8,750
November 9, 2012	Fletcher's Finishes LLC	1,600
November 11, 2012	Demco	12,997
		<u>12,997</u>
	Total capital expenditures	<u>\$ 3,696,707</u>

FULL TIME JOBS CREATED**The Lighthouse For The Blind in New Orleans, Inc.**

For the Year Ended December 31, 2012

(Unaudited)

New Full Time Jobs (min 30 hrs Per Week)

<u>Job Description</u>	<u>Wages</u>
Assistive Tech Instructor	\$ 26,312
Bagger (6)	66,422
Boxer (7)	67,601
Custodian	12,504
Daily Living Skills Instructor	10,145
Director of Service	48,014
Evening Shift Supervisor	39,982
Job Coach (2)	55,757
Job Developer	21,573
Machine Operator 1 (3)	31,300
Machine Operator 2 (3)	42,231
Maintenance Technician (3)	87,090
Manager of Technical Support	19,951
Material Handler 1 (2)	18,997
Material Handler 2	25,986
Occupational Therapist	13,054
Office Coordinator	11,153
Orientation & Mobility Instructor	8,653
Production Manager	45,514
Quality In Process Inspector (3)	7,122
Quality Receiving Inspector	20,202
Receptionist	3,584
Retail Manager	9,838
Van Driver	32,554
V.P. Staff Development	28,593
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Total payroll (46)	<u>\$ 754,132</u>

Payroll Non-Performance Reimbursement
Calculation

The Lighthouse For The Blind in New Orleans, Inc.

For the Year Ended December 31, 2012
(Unaudited)

Required Payroll Under CEA	\$ 1,100,000
Actual Payroll	<u>754,132</u>
Payroll Shortfall	345,868
Shortfall Reimbursement Percentage	<u>10.40%</u>
Payroll Non Performance Reimbursement	<u><u>\$ 35,970</u></u>

QUARTERLY PROGRESS REPORT FILINGS**The Lighthouse For The Blind in New Orleans, Inc.**

For the period from October 1, 2011 through December 31, 2012
(Unaudited)

<u>Progress Report</u>	<u>Date Prepared</u>	<u>Date Sent</u>
4th Quarter 2011	March 26, 2012	March 26, 2012
1st Quarter 2012	June 21, 2012	June 21, 2012
2nd Quarter 2012	September 19, 2012	September 19, 2012
3rd Quarter 2012	January 4, 2013	January 4, 2013
4th Quarter 2012	In process	Not filed as of report date